



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 290 HLS 13RS 291
Bill Text Version: REENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 16, 2013 2:39 PM Author: LEGER
Dept./Agy.: Orleans Parish Governing Authority
Subject: Increases Maximum Mills for Fire and Police Protection Analyst: Steven Kraemer

TAX/AD VALOREM TAX RE +\$6,545,000 LF RV See Note Page 1 of 1
(Constitutional Amendment) Provides relative to ad valorem taxes for fire and police protection in Orleans Parish

Purpose of Bill: This bill allows the governing authority of Orleans Parish (City of New Orleans) to increase millage rates for fire and police protection from 5 mills to 6 mills. In addition, this bill prohibits the City from funding fire and police protection at levels below the calendar year 2012 funding level.

The impact of this bill is dependent upon (1) a vote of Louisiana electors at the statewide election scheduled for November 4, 2014 and (2) the approval of a tax proposition by a majority of Orleans Parish electors at an election held for that purpose.

Table with 7 columns: EXPENDITURES/REVENUES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill may increase expenditures related to fire and police protection for the City of New Orleans by approximately \$5.9 million starting in 2015-16 and increasing to approximately \$6.5 million by 2017-18. In addition, the City may incur election costs of \$453,000 in 2014-15 related to the approval of the tax proposition.

Fire and Police Protection Costs: An official with the City of New Orleans indicated that this bill may increase expenditures of the City by approximately \$5.9 million starting in 2015-16 and increasing annually to approximately \$6.5 million by 2017-18 as the additional tax revenue is used for fire and police protection.

Election Costs: An official with the Louisiana Secretary of State's office indicated that the cost of the statewide election for the constitutional amendment is not expected to impact the expenditures of the Secretary of State or the City of New Orleans. However, this official indicated that the cost of the parish-wide election for the tax proposition (approximately \$453,000) will be billed to the entities responsible for items on the ballot. Assuming the tax proposition is the only item on the ballot, the City of New Orleans would pay 100% of the election cost.

An official with the City of New Orleans indicated that the election costs may be incurred in fiscal year 2014-15.

REVENUE EXPLANATION

This bill may increase local fund revenues for the City of New Orleans by approximately \$5.9 million starting in 2015-16 and increasing annually to approximately \$6.5 million by 2017-18.

An official with the City of New Orleans indicated that this bill may increase revenues of the City by approximately \$5.9 million starting in 2015-16 and increasing by 5% annually to approximately \$6.5 million by 2017-18. This estimate is based on the current 2013 taxable assessments of \$3.5 billion.

Senate Dual Referral Rules House
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} [ ] 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
[X] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} [ ] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services